

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature	Printed Name		License Number	

CASEVILLE HOUSING COMMISSION

Financial Statements

March 31, 2006

Audited by

JOHN C. DIPIERO, P.C.

Certified Public Accountant

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***John C. DiPiero, P.C.***

Certified Public Accountant

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Tel / Fax (989) 642-2092

Board of Commissioners  
Caseville Commission  
6905 N. Caseville Road  
Caseville, Michigan 48725

### **Independent Auditor's Report**

I have audited the Business Type Activities of the Caseville Housing Commission as of and for the year ended March 31, 2006. These financial statements are the responsibility of the Housing Commission's management. My responsibility is to express an opinion on the financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Caseville Housing Commission as of March 31, 2006, and the results of its operations and the cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Required Supplemental Information**

The Management's Discussion and Analysis and the required supplemental information are not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, I did not audit the information and express no opinion on it.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

#### **Combining Financial Statements**

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as whole.

Certified Public Accountant

June 14, 2006

This discussion and analysis of the Caseville Housing Commission's financial performance should be read in conjunction with the auditor's opinion letter and the financial statements.

### **Entity-Wide Statements**

The combined financial statements show, in one place, all the Commission's operations. Our statements are prepared on the accrual basis of accounting, which is similar to that used by most businesses. Under this method, all revenues and expenses connected with the fiscal year are taken into account even if the cash involved has not actually been received or paid. The Financial Data Schedule included within the audit report contains all the programs of the Commission.

### **Fund Statements**

The Financial Data Schedule reports the Commission's operations in more detail. The Commission reports all its activities using Proprietary Fund types. These funds are used to show activities that operate more like commercial enterprises. The Financial Data Schedule is organized by the government Catalogue of Financial Domestic Assistance (CFDA) numbers.

### **Entity-Wide Financial Highlights**

The Commission was awarded and received the following Federal Assistance:

	<u>Year 2006</u>	<u>Year 2005</u>
Operating Subsidies	\$ 53,373	\$ 40,161
Capital Projects Funds	11,080	77,782

Comparison of the current year to the past and discussion of significant changes as follows:

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Net Change</u>
Cash & cash equivalents	\$ 50,461	\$ 31,874	18,587
Accounts Receivable	470	5	465
Investments			
(Restricted/Unrestricted)	142,991	138,979	4,012
Prepaid Expenses	6,256	6,142	114
Fixed Assets, prior to			

Depreciation	1,794,504	1,793,081	1,423
Total Liabilities	41,680	29,024	12,656
Net Assets	1,225,634	1,278,132	(52,498)

	<u>Year 2006</u>	<u>Year 2005</u>	<u>Net Change</u>
Revenues:			
Tenant Revenues	104,960	97,743	7,217
HUD Grants	60,453	117,943	(57,490)
Expenses:			
Administrative	79,621	71,115	(8,506)
Tenant Services	2,523	2,234	289
Utilities	25,079	22,471	2,608
Maintenance & Operations	45,796	58,992	(13,196)
General Expenses	<u>16,524</u>	<u>15,464</u>	1,060
Total Operating Expenses	<u>169,543</u>	<u>170,276</u>	(733)
Extra Ordinary Maintenance	0	1,183	(1,183)
Depreciation Expense	60,202	58,097	2,105

The Commission's cash position increased during the year, our investments increased; our fixed assets before depreciation increased, total liabilities increased, and Net Assets decreased. HUD grants decreased, general expenses in total remained unchanged, and depreciation increased.

Our cash increased in part as a result of a gain before depreciation of \$ 7,704, an increase in total liabilities of \$ 12,656. Our investments increased marginally as a result of interest earnings; fixed assets increased by the addition of some office equipment; net assets decreased by the amount of the net loss.

HUD grants are a result of requisitioning eligible funds. HUD grants received are a result of calculations under the Performance Funding System, and Capital grants authorized and obligated during the year.

Total expenses before non operating charges of extra ordinary maintenance and depreciation decreased an insignificant amount during the year; some expense line items were reclassified during the year, however, the operations remained unchanged during the year.

The Commission provided the following housing for low to moderately low income families:

	<u>Year 2006</u>	<u>Year 2005</u>
Low Rent Public Housing	47	47

### **General Fund Budgetary Highlights**

The Commission approved an operating budget on February 23, 2005 for the fiscal year ending March 31, 2006, and revised the budget on March 29, 2006, to more closely reflect the operations for the year. The significant changes in the two budgets were as follows:

	<u>Original</u>	<u>Revised</u>	<u>Increase/ (Decrease)</u>
Interest Income	\$ 2,800	\$ 4,840	\$ 2,040
HUD Subsidies	60,991	62,373	1,382
 Total Operating Profit (Loss)	 (2,759)	 2,863	 5,622

Our actual operating gain was \$ 7,704., after Non operating activity (depreciation) we had a net loss of \$ (52,498.)

### **Entity Wide Capital Assets**

The fixed assets increased \$ 1,423 prior to depreciation. The additions included a lap top computer and storage cabinets. We used \$ 11,080 from our Capital Fund for operations.

### **Commission's Position**

The Commission is concerned with the increase in Federal unfunded mandates such as project based accounting, asset management, and uncertainty in future funding with the new subsidy calculations and cuts in other federal programs. The uncertainty makes budgeting and planning difficult, and yet, we must continue to provide safe, sanitary and decent housing for the low and moderately low income elderly families.

We are in the process of investigating the possibilities of converting several units to assisted living units; the ultimate decision will depend on State sponsored Medicare Waiver payments and other funding that is yet to be determined.

The Commission intends on using our Capital Fund Projects (CFP) to repair the roofs on our housing units; the estimated cost will be \$ 110,000, we will dedicate our 2005. 2006 and 2007 CFP to pay for these repairs.

Questions or comments concerning this Management Discussion and Analysis may be directed to:

Jane Rosenau, Executive Director  
6925 N. Caseville Road  
Caseville, Michigan 48725



CASEVILLE HOUSING COMMISSION  
Statement of Net Assets  
March 31, 2006

**ASSETS**

**C-3219**

CURRENT ASSETS

Cash	\$	50,461	
Accounts Receivable		470	
Investments		142,991	
Prepaid Expenses		<u>6,256</u>	
Total Current Assets	\$		200,178

NON CURRENT ASSETS

Land	\$	75,000	
Buildings		1,636,105	
Furniture, Equipment- Dwellings		9,668	
Furniture, Equipment- Administrative		58,619	
Construction in Progress		15,111	
Accumulated Depreciation		<u>(727,368)</u>	
Total Non Current Assets			<u>1,067,136</u>

TOTAL ASSETS \$ 1,267,314

CASEVILLE HOUSING COMMISSION  
Statements of Net Assets  
March 31, 2006

**LIABILITIES**

**C-3219**

CURRENT LIABILITIES

Accounts Payable	\$	8,974	
Accrued Wages & Payroll Taxes		3,916	
Accrued Compensated Absences		2,235	
Accounts Payable-Other Governments		15,372	
Deferred Revenue		3	
Tenants Security Deposit		<u>11,180</u>	
<u>Total Liabilities</u>			\$ <u>41,680</u>

**NET ASSETS**

Investment in Fixed Assets, net of related Debt	\$	1,067,136	
Unrestricted Net Assets		<u>158,498</u>	
<u>Total Net Assets</u>			\$ <u>1,225,634</u>

The Accompanying Notes are an Integral part of the Financial Statements

CASEVILLE HOUSING COMMISSION  
Statement of Revenue, Expenses, and Changes in Net Assets  
For the year ended March 31, 2006

OPERATING REVENUE

Tenant Rental Revenue	\$ 103,981	
Tenant Revenue-Other	979	
HUD Grants	62,373	
Interest Income	4,448	
Other Income	<u>3,386</u>	
<u>Total Operating Revenue</u>		\$ 175,167

OPERATING EXPENSES

Administrative	\$ 79,621	
Tenant Services	2,523	
Utility Expenses	25,079	
Ordinary Maintenance	45,796	
General Expenses	<u>16,524</u>	
<u>Total Operating Expenses</u>		<u>169,543</u>
<u>Operating Income (Loss)</u>		\$ 5,624

NONOPERATING REVENUE (EXPENSES)

Depreciation Expenses	<u>(60,202)</u>
<u>Income (Loss) before Contributions</u>	\$ (54,578)

CAPITAL CONTRIBUTIONS

	<u>2,080</u>
<u>Changes in Net Assets</u>	\$ (52,498)
Total Net Assets- Beginning	<u>1,278,132</u>
Total Net Assets- Ending	\$ <u>1,225,634</u>

The Accompanying Notes are an Integral part of the Financial Statements

CASEVILLE HOUSING COMMISSION  
Statement of Cash Flows  
For the Year Ended March 31, 2006

Business Type Activities

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 104,917
Payments to Suppliers	(88,584)
Payments to Employees	(68,610)
HUD Grants	64,453
Other Receipts (Payments)	<u>7,834</u>
Net Cash Provided (Used) by Operating Activities	\$ 20,010

CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES

Purchases of Capital Assets	\$ <u>(1,423)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 18,587
Balance- Beginning of Year	<u>31,874</u>
Balance- End of Year	\$ <u>50,461</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Net Profit or (Loss)	\$ (52,498)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	60,202
Changes in Assets (Increase) Decrease:	
Receivables (Gross)	(465)
Investments	650
Prepaid Expenses	(114)
Changes in Liabilities Increase (Decrease):	
Accounts Payable	2,109
Accrued Wages & Payroll Taxes	2,371
Accounts Payable- Other Governments	7,906
Security Deposits	(154)
Deferred Revenue	<u>3</u>
Net Cash Provided by Operating Activities	\$ <u>20,010</u>

The Accompanying Notes are an Integral part of the Financial Statements

CASEVILLE HOUSING COMMISSION  
Notes to Financial Statements  
March 31, 2006

NOTE 1: Summary of Significant Accounting Policies

**Reporting Entity-**

Caseville Housing Commission, Caseville, Michigan, (Commission) was created by ordinance of the city of Caseville. The Commission signed and Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD). The ACC requires the Commission to provide safe, sanitary and decent housing for qualifying senior and low income families.

The Commission consists of the following:

MI 191-1	Low rent program	47 units
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In determining the reporting entity, the manifestations of oversight, as defined by the Governmental Accounting Standards Board (GASB), Cod. sec 2100, were considered. The criteria include the following:

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 14 is the "primary government". A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is legally separate entity for which the primary government is financially accountable. The criterion of financial accountability are the ability of the primary government to impose its will upon the potential component unit. Based on the above criteria, no component units exist.

These criteria were considered in determining the reporting entity.

**Basis of Presentation-**

The accounts of the Commission are organized by the Catalog of Federal Domestic Awards (CFDA) numbers, in the Financial Data Schedule; each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenditures, or expenses, as appropriate. Commission resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

## Notes to Financial Statements- continued

### Proprietary Funds

Enterprise Funds- Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, management control, accountability, or other purposes.

### Basis of Accounting-

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Proprietary Funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Prior to October 1, 1998, the Commission followed a basis of accounting consistent with the cognizant agency, the U. S. Department of Housing and Urban Development, HUD. Those practices differed from Generally Accepted Accounting Principals (GAAP); however, for all fiscal years beginning on or after October 1, 1998, HUD has required adherence to GAAP. Therefore, the current and future financial presentations will follow GAAP and the Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989, unless they conflict with Governmental Accounting Standards Board (GASB) pronouncements.

### Budgetary data-

Formal budgetary integration is employed as a management control device during the year in proprietary type funds. Budgets for funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) for that fund type. The Commission adopts a budget annually, and amends the budgets as it feels necessary in order to maintain financial integrity.

### Assets, Liabilities, and Net Assets-

#### Deposits & Investments

Deposits are stated at cost; the carrying amount of deposits is separately displayed on the balance sheet as cash and cash equivalents; investments are stated at cost which approximates market.

Notes to Financial Statements- continued

Cash Equivalents

Cash Equivalents represent investments purchased with a three month maturity or less; investments meeting this criteria are reclassified for financial statement purposes as cash.

Fixed Assets

The accounting and reporting treatment applied to the fixed assets are determined by its measurement focus. All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is reported as Invested in Capital Assets, Net of Related Debt.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations; depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Buildings and Improvements	40 years
Equipment	3-10 years

Compensated Absences

Sick leave and other compensated absences with similar characteristics have been accrued as a liability. The amount accrued was based on the probability that the Commission will compensate the employees for the benefits through cash payments as a condition of the employees' termination or retirement.

Note 2: Cash and Investments.

The composition of cash and investments are as follows:

Cash:

General Fund Checking Account	\$ 36,171
Petty Cash	100
Savings Account	<u>14,190</u>
Financial Statement Total	\$ <u>50,461</u>

Investments:

Certificates of Deposit	\$ <u>142,991</u>
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Notes to the Financial Statements- continued

Generally the Commission classifies cash and investments with the following risk assumptions:

- 1) Insured or registered in the Commission's name.
- 2) Uninsured or unregistered, held by a broker in the Commission's name.
- 3) Uninsured or unregistered, held by a broker not in the Commission's name.

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Cash:					
Checking A/C's	\$ 36,171	\$	\$	\$ 36,171	\$ 36,171
Savings Account	14,190			14,190	14,190
Petty Cash	100			100	100
Total Cash	<u>\$ 50,461</u>	<u>\$</u>	<u>\$</u>	<u>\$ 50,461</u>	<u>\$ 50,461</u>
- Investments:					
C/D's	<u>\$ 142,991</u>	<u>\$</u>	<u>\$</u>	<u>\$ 142,991</u>	<u>\$ 142,991</u>

In addition to the above analysis, the Commission has adopted an investment policy as required by P.A. 196 of 1997; Michigan Compiled Law 129.95.

Note 3: Fixed Asset Analysis.

The following represents the changes in fixed assets for the year:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Land	\$ 75,000	\$	\$	\$ 75,000
Buildings	1,636,105			1,636,105
Furniture & Equipment-Dwellings	9,668			9,668
Furniture & Equipment-Admin	57,197	1,423		58,620
Leasehold Improvements	<u>15,111</u>	<u></u>	<u></u>	<u>15,111</u>
	\$ 1,793,081	\$ 1,423	\$	\$ 1,794,504
Less Accumulated Depreciation	<u>667,166</u>	<u>60,202</u>	<u></u>	<u>727,368</u>
	<u>\$ 1,125,915</u>	<u>\$ (58,779)</u>	<u>\$ 0</u>	<u>\$ 1,067,136</u>



Notes to Financial Statements- continued

Note 4: Risk Management

The Commission is exposed to various risks of loss related to property loss, torts, error and omissions and employee injuries. The Commission purchases commercial insurance to cover the risks of these losses. The Commission had the following insurance in effect during the year:

<u>Types of Policies</u>	<u>Coverage's</u>
Property	\$ 3,117,000
General Liability	1,000,000
Automobile Liability	1,000,000
Dishonesty Bond	1,000,000
Worker's Compensation and other riders: Coverage's required by the State of Michigan	

Note 5: Reclassifications.

Certain prior years' balances have been reclassified to conform to the current year's presentation.

## Caseville Housing Commission

31-Mar-06

MI-191

	Account Description	Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #				
	<b>ASSETS:</b>			
	CURRENT ASSETS:			
	Cash:			
111	Cash - unrestricted	50,461		50,461
112	Cash - restricted - modernization and developmer		-	-
113	Cash - other restrictec			-
114	Cash - tenant security deposit	-	-	-
100	Total cash	50,461	-	50,461
	Accounts and notes receivables			
121	Accounts receivable - PHA project			-
122	Accounts receivable - HUD other project	-	-	-
124	Accounts receivable - other governmen			-
125	Accounts receivable - miscellaneou	-	-	-
126	Accounts receivable- tenants - dwelling reni	48		48
126.1	Allowance for doubtful accounts - dwelling rent	(29)		(29)
126.2	Allowance for doubtful accounts - othe	-		-
127	Notes and mortgages receivable- curren			-
128	Fraud recovery			-
128.1	Allowance for doubtful accounts - fraud			-
129	Accrued interest receivabl	451		451
120	Total receivables, net of allowances for doubtful account	470	-	470
	Current investments			-
131	Investments - unrestricted	142,991		142,991
132	Investments - restrictec			-
142	Prepaid expenses and other asset	6,256	-	6,256
143	Inventories	-	-	-
143.1	Allowance for obsolete inventorie	-	-	-
144	Interprogram - due fron	-	-	-
146	Amounts to be providec			-
150	TOTAL CURRENT ASSETS	200,178	-	200,178
	NONCURRENT ASSETS:			
	Fixed assets:		-	
161	Land	75,000	-	75,000
162	Buildings	1,636,106	-	1,636,106
163	Furniture, equipment & machinery - dwelling	9,668	-	9,668
164	Furniture, equipment & macinery - admininstratio	58,619	-	58,619
165	Leasehold improvement:	15,111	-	15,111
166	Accumulated depreciator	(727,368)	-	(727,368)
160	Total fixed assets, net of accumulated depreciatio	1,067,136	-	1,067,136
171	Notes and mortgages receivable - non-curren			-
172	Notes and mortgages receivable-non-current-past du			-
174	Other assets			-
175	Undistributed debit:			-
176	Investment in joint venture:			-
180	TOTAL NONCURRENT ASSETS	1,067,136	-	1,067,136
190	TOTAL ASSETS	1,267,314	-	1,267,314

	<b>LIABILITIES AND EQUITY:</b>			
	<b>LIABILITIES:</b>			
	<b>CURRENT LIABILITIES</b>			
311	Bank overdraft			-
312	Accounts payable ≤ 90 days	8,974	-	8,974
313	Accounts payable > 90 days past due		-	-
321	Accrued wage/payroll taxes payable	3,916	-	3,916
322	Accrued compensated absence	2,235	-	2,235
324	Accrued contingency liability			-
325	Accrued interest payable			-
331	Accounts payable - HUD PHA program			-
332	Accounts Payable - PHA Project			
333	Accounts payable - other government	15,372	-	15,372
341	Tenant security deposits	11,180	-	11,180
342	Deferred revenues	3	-	3
343	Current portion of Long-Term debt - capital project		-	-
344	Current portion of Long-Term debt - operating borrowing			-
345	Other current liabilities			-
346	Accrued liabilities - other	-		-
347	Inter-program - due to	-	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	41,680	-	41,680
	<b>NONCURRENT LIABILITIES:</b>			
351	Long-term debt, net of current- capital project			-
352	Long-term debt, net of current- operating borrowing			-
353	Noncurrent liabilities- other	-		-
350	<b>TOTAL NONCURRENT LIABILITIES</b>		-	-
300	<b>TOTAL LIABILITIES</b>	41,680	-	41,680
	<b>EQUITY:</b>			
501	Investment in general fixed asset			-
	<b>Contributed Capital:</b>			
502	Project notes (HUD)			-
503	Long-term debt - HUD guarantees	-	-	-
504	Net HUD PHA contributions	-		-
505	Other HUD contributions			-
507	Other contributions	-		-
508	Total contributed capital	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	1,067,136	-	1,067,136
	<b>Reserved fund balance</b>			-
509	Reserved for operating activities			-
510	Reserved for capital activities	-		-
511	Total reserved fund balance	-	-	-
512	Undesignated fund balance/retained earnings	-	-	-
512.1	Unrestricted Net Asset	158,498		158,498
513	<b>TOTAL EQUITY</b>	1,225,634	-	1,225,634
600	<b>TOTAL LIABILITIES AND EQUITY</b>	1,267,314	-	1,267,314

- - -

## Caseville Housing Commission

31-Mar-06

MI-191

Combining Income Statement		Low Rent 14.850	Capital Projects Funds 14.872	TOTAL
Line Item #				
	<b>REVENUE:</b>			
703	Net tenant rental revenue	103,981		103,981
704	Tenant revenue - other	979	-	979
705	Total tenant revenue	104,960	-	104,960
706	HUD PHA grants	53,373	11,080	64,453
708	Other government grants			-
711	Investment income - unrestricted	4,448	-	4,448
712	Mortgage interest income	-		-
714	Fraud recovery			-
715	Other revenue	3,386		3,386
716	Gain or loss on the sale of fixed asset			-
720	Investment income - restricted			-
700	<b>TOTAL REVENUE</b>	166,167	11,080	177,247
	<b>EXPENSES:</b>			
	Administrative			
911	Administrative Salaries	50,591	-	50,591
912	Auditing Fees	2,400		2,400
913	Outside management fee			-
914	Compensated absence	422		422
915	Employee benefit contributions-administrative	13,211	-	13,211
916	Other operating administrative	12,997	-	12,997
	Tenant services			
921	Tenant services - salaries	-	-	-
922	Relocation costs		-	-
923	Employee benefit contributions- tenant service	-	-	-
924	Tenant services - other	2,523	-	2,523
	Utilities			
931	Water	15,438	-	15,438
932	Electricity	5,065	-	5,065
933	Gas	4,576	-	4,576
934	Fuel			-
935	Labor			-
937	Employee benefit contributions- utilities			-
938	Other utilities expense	-		-
	Ordinary maintenance & operation			
941	Ordinary maintenance and operations - labor	18,019	-	18,019
942	Ordinary maintenance and operations - materials & other	6,351	110	6,461
943	Ordinary maintenance and operations - contract cost	16,621	1,970	18,591
945	Employee benefit contributions- ordinary maintenance	2,725	-	2,725
	Protective services			
951	Protective services - labor			-



CASEVILLE HOUSING COMMISSION  
Status of Prior Audit Findings  
March 31, 2006

The prior audit of the Caseville Housing Commission for the period ended March 31, 2005, did not contain any audit findings

CASEVILLE HOUSING COMMISSION  
Report on Compliance and on Internal Control over  
Financial Reporting Based on an Audit of Financial  
Statements Performed in Accordance with  
*Government Auditing Standards*  
March 31, 2006

I have audited the financial statements of Caseville Housing Commission, Caseville, Michigan, as of and for the year ended March 31, 2006, and have issued my report thereon dated June 14, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Caseville Housing Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caseville Housing Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of management and the U. S. Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountant

June 14, 2006

CASEVILLE HOUSING COMMISSION  
Schedule of Findings and Questioned Cost  
March 31, 2006

1) Summary of Auditor's Results:

Programs:

	<u>Major Program</u>	<u>Non Major Program</u>
Low income Public Housing		X
Capital Projects Funds		X

Opinions:

General Purpose Financial Statements-

Unqualified

Report on compliance for major programs-

Unqualified

Thresholds

Dollar limit used to determine type A & B programs- \$ 300,000

2) Findings relating to the financial statements reported in accordance with  
Government Auditing Standards:

None

3) Findings and Questioned Costs relating to Federal Awards:

None